



February 11, 2009

HOUSE BILL No. 1669

DIGEST OF HB 1669 (Updated February 9, 2009 7:58 pm - DI 92)

Citations Affected: IC 20-20; noncode.

Synopsis: Geothermal conversion loans. Establishes the geothermal conversion revolving fund (fund) for the purpose of making loans to school corporations that: (1) install a geothermal heating and cooling system in a new facility; or (2) install a geothermal heating and cooling system that replaces a conventional heating and cooling system. Provides that the fund is administered by the department of education (department). Requires the department to establish a written procedure for providing loans from the fund to school corporations. Specifies that a loan from the fund may not exceed the difference between: (1) the cost of installing a geothermal heating and cooling system; and (2) the cost of installing a conventional heating and cooling system. Requires a school corporation to enter into a loan agreement with the department before receiving a loan from the fund. Requires the department to report annually to the budget committee concerning the projects funded with loans from the fund. Appropriates \$2,000,000 to the fund from the state general fund beginning after June 30, 2011.

Effective: July 1, 2009.

Michael, Moses, Niezgodski, Frizzell

January 16, 2009, read first time and referred to Committee on Commerce, Energy, Technology and Utilities.
January 27, 2009, amended, reported — Do Pass.
February 3, 2009, recommitted to Committee on Ways and Means.
February 10, 2009, reported — Do Pass.

HB 1669—LS 7527/DI 73+



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February 11, 2009

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

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HOUSE BILL No. 1669

A BILL FOR AN ACT to amend the Indiana Code concerning education and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 20-20-37 IS ADDED TO THE INDIANA CODE
2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2009]:

4 **Chapter 37. Geothermal Conversion Revolving Fund**

5 **Sec. 1. As used in this chapter, "geothermal heating and cooling**
6 **system" means a heating and cooling system that uses the natural**
7 **temperature of the earth to generate heating and cooling.**

8 **Sec. 2. As used in this chapter, "fund" refers to the geothermal**
9 **conversion revolving fund established by section 3 of this chapter.**

10 **Sec. 3. The geothermal conversion revolving fund is established**
11 **for the purpose of making loans to school corporations that:**

12 (1) install a geothermal heating and cooling system in a new
13 facility; or

14 (2) install a geothermal heating and cooling system that
15 replaces a conventional heating and cooling system.

16 **Sec. 4. (a) The fund shall be administered by the department.**
17 **The expenses of administering the fund shall be paid from money**

HB 1669—LS 7527/DI 73+



in the fund.

(b) The fund consists of the following:

(1) Money appropriated by the general assembly.

(2) The repayment proceeds of loans made to school corporations from the fund.

(3) Any gifts and grants made to the fund or other money required by law to be deposited in the fund.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

(d) The fund shall be used by the department as a revolving fund. Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(e) Money in the fund is continuously appropriated for the purposes of this chapter.

Sec. 5. Subject to the requirements of this chapter, the department may loan money from the fund to a school corporation to assist the school corporation in paying for:

(1) the installation of a geothermal heating and cooling system in a new facility; or

(2) the installation of a geothermal heating and cooling system that replaces a conventional heating and cooling system.

Sec. 6. (a) The department shall establish a written procedure for providing loans from the fund to school corporations. The written procedure must include at least the following:

(1) An application procedure.

(2) A procedure to identify projects that may qualify for a loan.

(3) Criteria for establishing the priority of projects for which loans will be made.

(4) Procedures for selecting projects for which loans will be made.

(b) To apply for a loan from the fund, a school corporation must submit an application that contains at least the following information:

(1) A description of the geothermal heating and cooling system that the school corporation proposes to install.

(2) An estimate of the cost of the geothermal heating and cooling system.

(3) An estimate of the amount by which the cost of installing the geothermal heating and cooling system exceeds the cost of

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installing a conventional heating and cooling system.

(4) Any other information required by the department in accordance with the written procedures established under this section.

Sec. 7. The following apply to a loan from the fund to a school corporation under this chapter:

(1) The loan may not exceed the difference between:

(A) the cost of installing a geothermal heating and cooling system; minus

(B) the cost of installing a conventional heating and cooling system.

(2) The department shall determine the interest rate and other terms for the loan.

(3) A school corporation must enter into a loan agreement with the department before receiving a loan from the fund. The loan agreement is a valid, binding, and enforceable agreement between the school corporation and the department. The loan agreement must contain the following terms:

(A) A requirement that the loan proceeds be used to pay for:

(i) the installation of a geothermal heating and cooling system in a new facility; or

(ii) the installation of a geothermal heating and cooling system that replaces a conventional heating and cooling system.

(B) The term of the loan, which may not be longer than fifteen (15) years after the date of the loan.

(C) The repayment schedule.

(D) The interest rate of the loan.

(E) Any other terms and provisions that the department requires.

Sec. 8. A school corporation receiving a loan under this chapter shall repay the loan from:

(1) the school corporation's general fund; or

(2) the school corporation's capital projects fund.

Sec. 9. The department shall annually present a report to the budget committee that describes the projects funded with loans under this chapter.

SECTION 2. [EFFECTIVE JULY 1, 2009] (a) There is appropriated two million dollars (\$2,000,000) to the geothermal conversion revolving fund (IC 20-20-37, as added by this act) from

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1 the state general fund for the period beginning July 1, 2011, and
2 ending June 30, 2013. The money appropriated under this
3 SECTION shall be used by the department of education in
4 carrying out the purposes of the geothermal conversion revolving
5 fund.

(b) This SECTION expires June 30, 2013.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Commerce, Energy, Technology, and Utilities, to which was referred House Bill 1669, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 17.

Page 2, delete lines 1 through 35.

Page 2, line 42, delete "heat from" and insert "temperature of".

Page 5, line 11, delete "2009," and insert "**2011**,".

Page 5, line 12, delete "2011." and insert "**2013**,".

Page 5, line 16, delete "2011." and insert "**2013**,".

and when so amended that said bill do pass.

(Reference is to HB 1669 as introduced.)

MOSES, Chair

Committee Vote: yeas 10, nays 0.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1669, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

CRAWFORD, Chair

Committee Vote: yeas 17, nays 0.

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